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Statement of Howard W. Hjort  
Director of Economics, Policy Analysis, and Budget  
Office of the Secretary  
U.S. Department of Agriculture  
Before the House Appropriations Committee  
Subcommittee for Agriculture and Related Agencies  
February 14, 1978

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to meet with you today and to discuss the economic situation and outlook for agriculture.

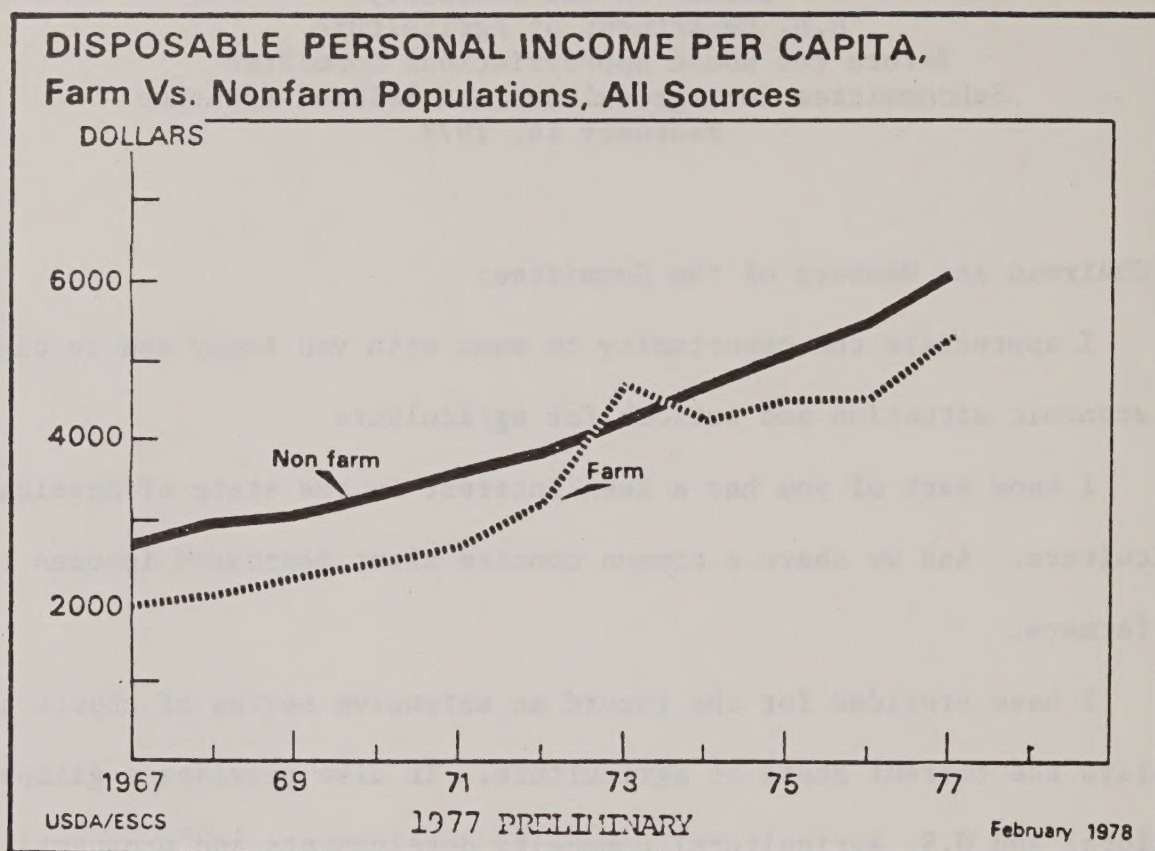
I know each of you has a keen interest in the state of American agriculture. And we share a common concern about depressed incomes to our farmers.

I have provided for the record an extensive series of charts that portrays the current state of agriculture. It also provides a glimpse of global and U.S. agricultural commodity developments and prospects. I have brought a series of large charts to facilitate our discussion.

It is important to recognize that the U.S. and world food and agriculture system is always in imbalance with a thin margin between over supply and too little. The current state of agriculture is a reflection of the adjustments and readjustments the farmer is constantly making to sharp swings in output and prices.

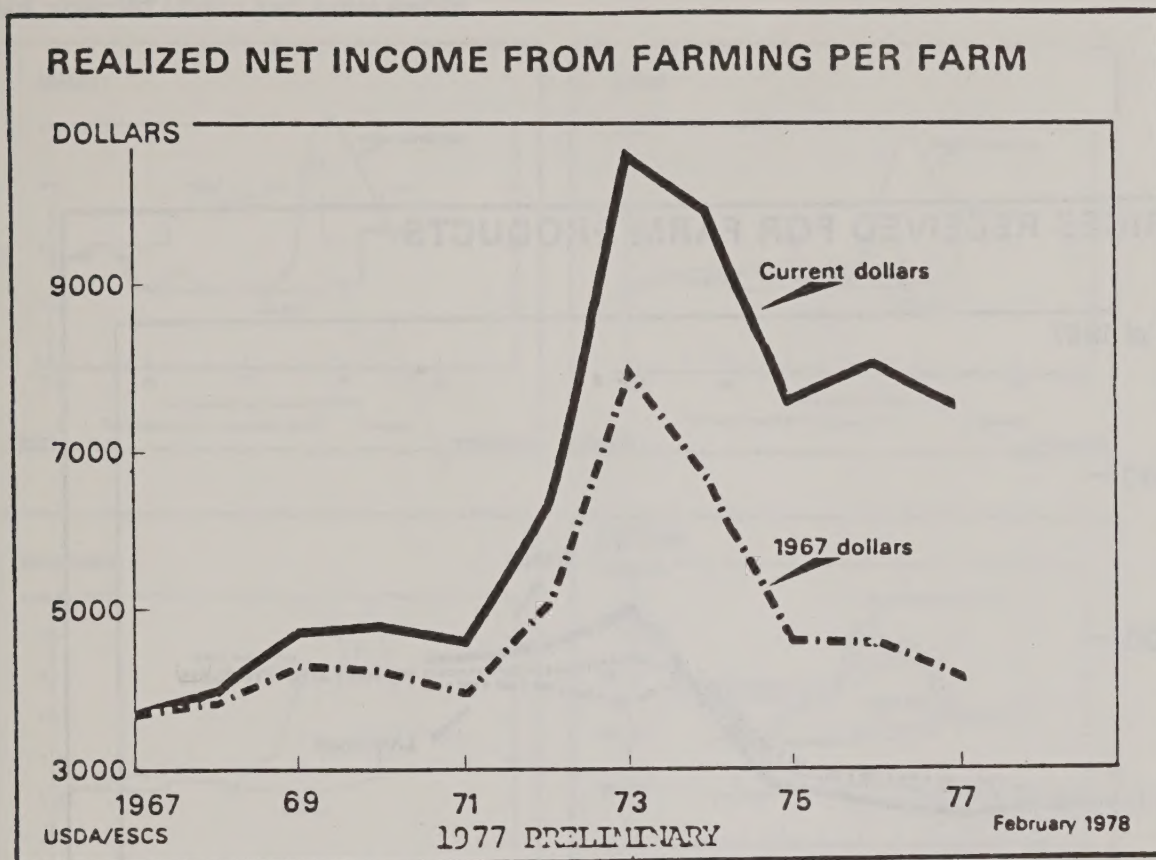
As the Committee observed last year, the appropriate place to begin a review of the state of agriculture is with a comparison of how well the farm population has been doing in relation to the nonfarm population.





	1971	1972	1973	1974	1975	1976	1977p
	(Dollars)						
Farm population	2710	3223	4665	4308	4492	4518	5120
Nonfarm population	3629	3866	4267	4662	5103	5552	6071
	(Percent)						
Farm population income as a percent of non-farm population income	75	83	109	92	88	81	84

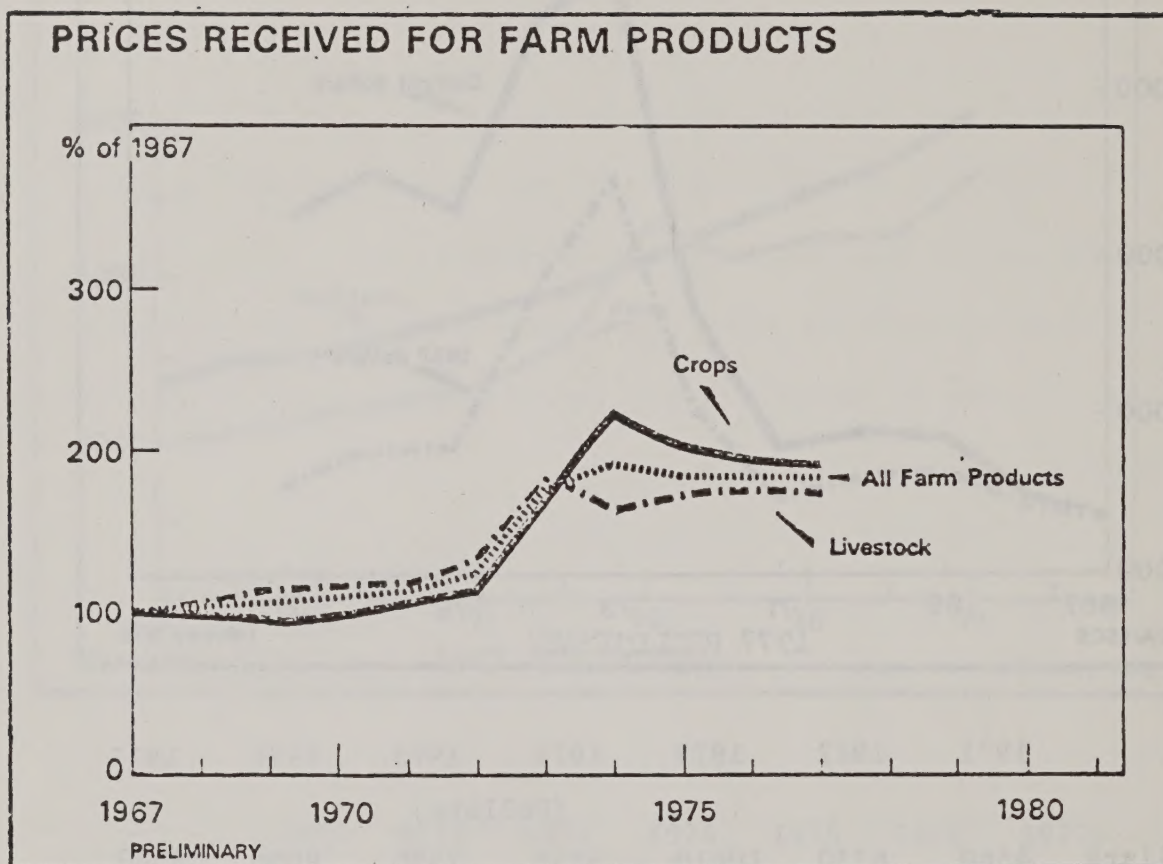
- \* Sharply higher farm earnings in 1973 boosted average income of the farm population above nonfarmers for the first time--but since then declining prices and rising costs have brought back the disparity.
- \* Per capita income of the farm population has risen 2 1/2 times during the past decade, but it still lags nonfarmers' income by almost \$1,000.
- \* Farm population per capita income increased about \$600 in 1977--mainly from larger crop inventory value and increased earnings off farms.
- \* In 1977, income of farm residents was about 84 percent of the nonfarm population.



	1971	1972	1973	1974	1975	1976	1977
	(Dollars)						
Current Dollars	4560	6230	10610	9930	7520	8000	7540
1967 Dollars	3860	5070	7980	6580	4530	4550	4010

- \* In the early 1970's, crop shortfalls around the world drove prices and farm income up--but since 1976 better world crops have reversed the situation.
- \* On a per farm basis, realized net income from farming (without adjustment for inventory accumulation and income from nonfarm sources) was about \$7,500 in 1977, down about \$500 from 1976.
- \* Adjusting for inflation in the economy puts per farm realized net income in constant dollars at \$4,000--the lowest since 1971.





1971    1972    1973    1974    1975    1976    1977  
(Percent of 1967)

Prices received by farmers--U.S. average:

All	113	125	179	192	185	186	183
Crops	108	114	175	224	201	197	192
Livestock	118	136	183	165	172	177	176

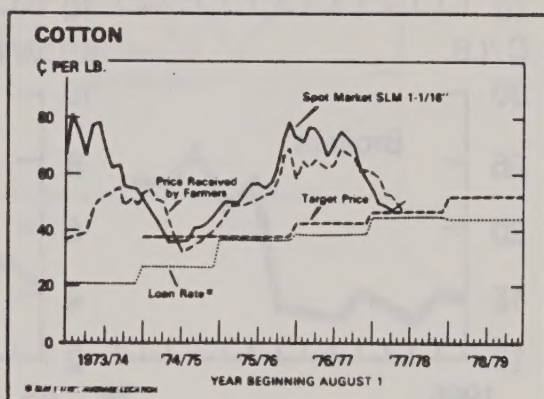
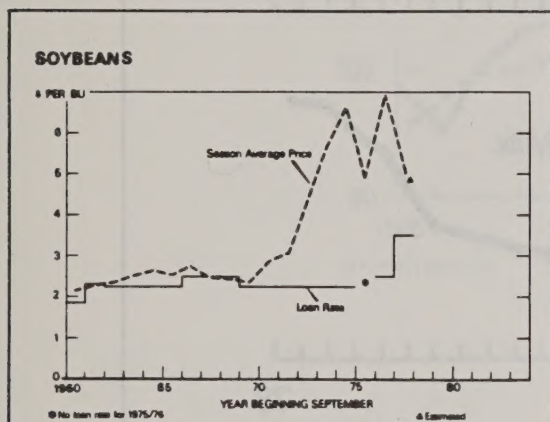
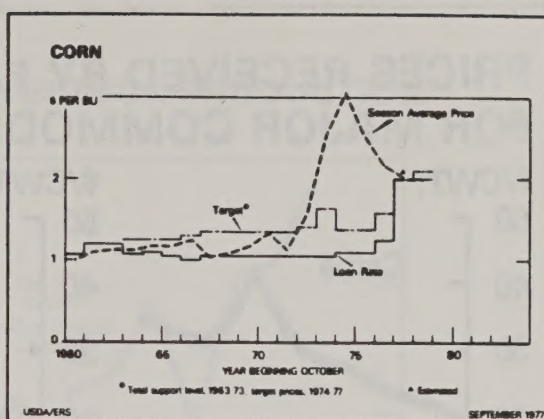
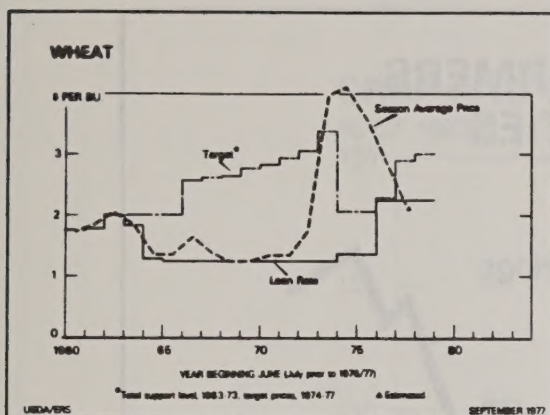
Wholesale price index:

All commodities	114	119	135	160	175	183	194
Industrial commodities	114	118	126	154	172	182	195

- \* Farm product prices averaged lower again in 1977 due to large supplies. Prices have recovered some in recent months.
- \* Compared with prices for wholesale industrial commodities--crop prices in 1977 are only slightly lower--livestock prices are much lower.
- \* Farm product price trends in coming months will reflect the pact of export movement, consumer demand, and farmers' use of the loan and reserve programs. For the second half of 1978 prices will reflect U.S. and worldwide plantings, global weather patterns, and economic growth.



## U.S. SUPPORT LEVELS AND FARM PRICES



Item	Season average, crop of--				Monthly 1977/78 4/				
	1974	1975	1976	1977 1/	Low	High	Nov.	Dec.	Jan.
Wheat	4.09	3.56	2.73	2.87	2.03(6)	2.54(1)	2.46	2.47	2.54
Corn	3.03	2.54	2.15	2.02	1.60(9)	1.96(12)	1.88	1.96	1.96
Soybeans	6.64	4.92	6.81	5.50	5.17(9)	5.69(12)	5.61	5.69	5.63
Cotton 2/	42.7	51.1	63.8	3/51.8	47.8(1)	59.1(9)	51.4	47.9	47.8

1/Includes deficiency payments for wheat. 2/Cents per pound for Upland Cotton, August 1-July 31. 3/Average through December 1977. 4/Number in parenthesis refers to month of year.

\* Wheat prices currently supported by heavy use of loan and strong foreign demand--prices for 1978 crop wheat to reflect U.S. and global supply and demand prospects and use of reserve programs U.S. producers indicate 12 percent cut in plantings for 1978 harvest.

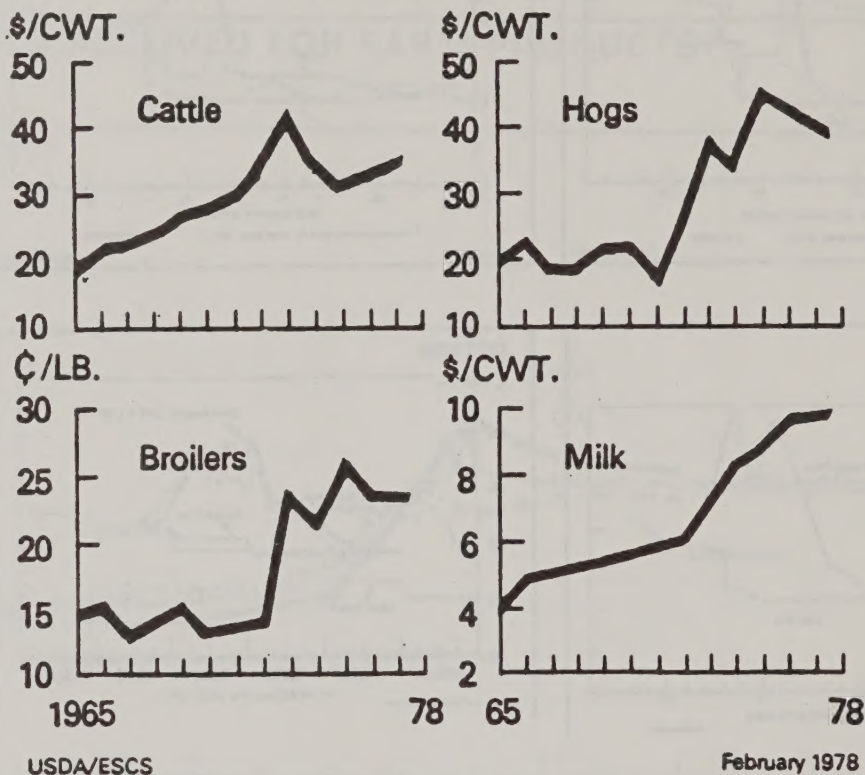
\* Corn prices have strengthened since September--near term prospects reflect pace of exports, feed usage, and farmers use of loan and grain reserve programs. Domestic and worldwide plantings and weather will influence new crop price prospects--January indications that U.S. corn acreage to be reduced only 2 percent.

\* Soybean prices increased early in the season, but declined in January because of more production and less use than expected and early prospects for record 1978 plantings.

\* Cotton prices have declined steadily since last August, because production far in excess of needs. Also, early-season prices reflected the delivery of significant quantities of cotton contracted earlier at relatively high prices. Since early January, spot market prices have increased 3 to 4 cents.



## PRICES RECEIVED BY FARMERS FOR MAJOR COMMODITIES



	Unit	1974	1975	1976	1977	1977 high	1977 low	Jan. 1978
Cattle	\$/cwt.	35.60	32.30	33.70	34.53	36.10(5)	32.30(1)	37.20
Hogs	\$/cwt.	34.31	47.56	42.95	39.98	44.90(7)	36.00(4)	43.90
Broilers	¢/lb.	21.5	26.3	23.6	23.5	26.2(7)	20.2(12)	22.8
Milk	\$/cwt.	8.33	8.75	9.66	9.72	10.30(12)	9.38(6)	10.20

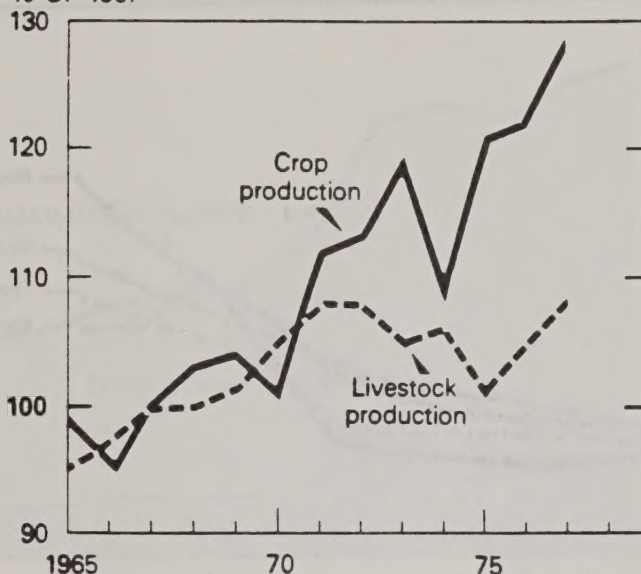
1/Number in parenthesis refers to month of year.

- \* Important factors influencing livestock and poultry prices over the next few months include--weather, shift to fed beef, marketing patterns, and strength of consumer demand.
- \* Cattle prices moving back up from the lows of past 3-4 years--continued rises expected, particularly in second half.
- \* Supply of feeder cattle down sharply--prices rising faster than fed cattle prices.
- \* Hog prices currently strong--declines expected as supplies increase this year.
- \* Broiler prices down since 1975--1978 prices likely to be moderately below the 1977 level, but above cost of production.
- \* The uptrend in milk prices to continue in 1978.



# CROP AND LIVESTOCK PRODUCTION

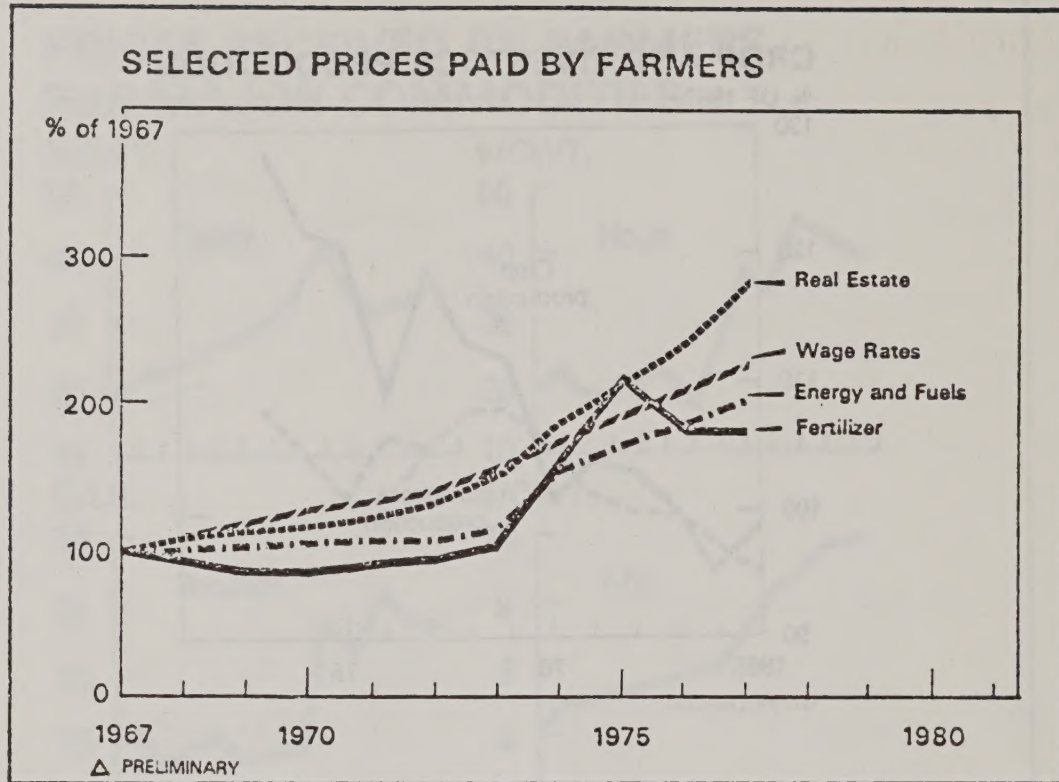
% OF 1967



1977 PRELIMINARY

	1970	1975	1976	1977
	(Percent of 1967)			
Farm output	101	114	117	121
Crop	101	121	121	129
Livestock	105	101	105	108

- \* U.S. farm output was record large in 1977 up 3 percent from the previous year. Both crop and livestock products participated in the advance.
- \* Larger output means expanded marketings of farm products. Farmers still have large holdings of 1977 crops which will boost 1978 marketings. Second half 1978 crop marketings will depend on plantings and future weather patterns.
- \* Prospects for more fed beef, pork, poultry, and dairy products point to large supplies and marketings of livestock products in the first half of 1978.



	1971	1972	1973	1974	1975	1976	1977
	(Percent of 1967)						
Real estate	122	132	150	187	213	242	283
Wage rates	134	142	155	178	192	210	226
Energy and fuels	107	108	116	159	177	187	202
Fertilizer	91	94	102	167	217	185	181
All prices paid	118	125	144	164	180	191	202
Production items	113	121	146	166	182	193	200
Nonfarm production items	118	125	136	168	200	210	220
Family living	118	123	133	151	166	176	187

\* Prices paid by farmers continue their persistent rise, although the gain in 1977 of less than 6 percent slowed from the sharp increases of around 15 percent in 1973/74.

\* Prices paid by farmers in 1977 remained above the overall cost of living, although increasing less in 1977.

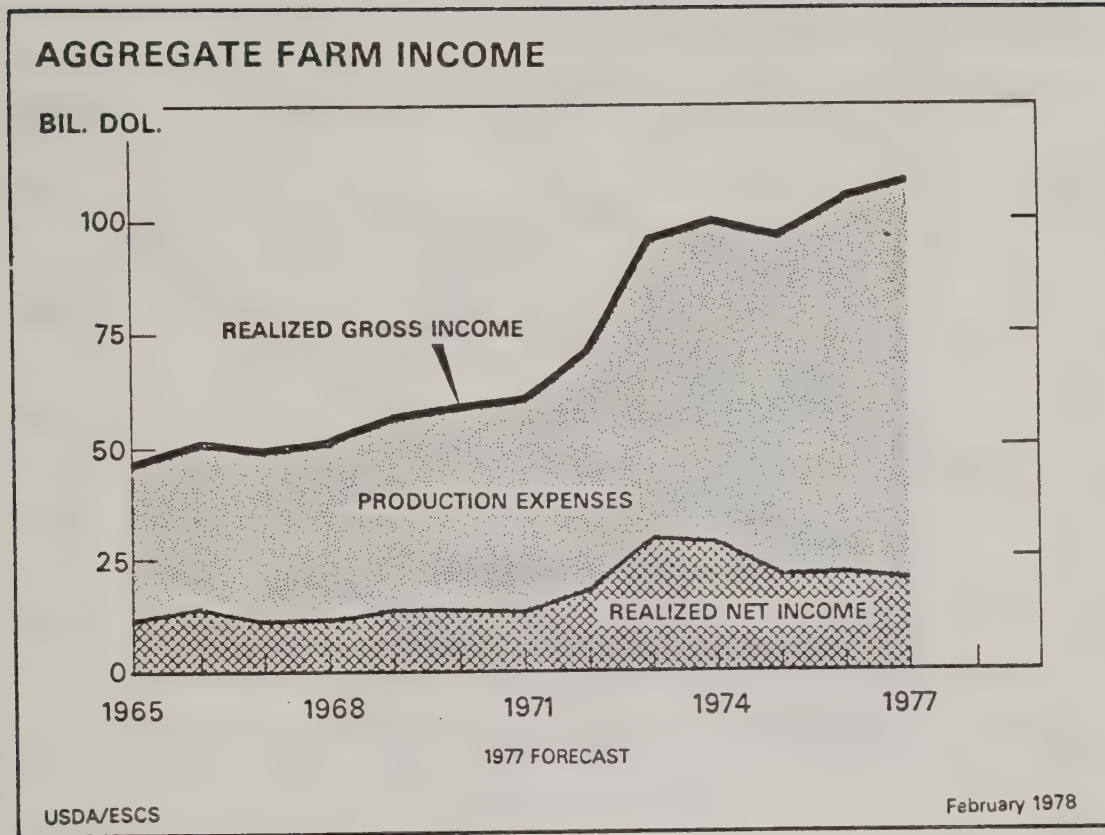
\* Estimated prices paid for nonfarm production items are well above all prices paid since 1975.

\* Real estate values have shown the sharpest rise--almost doubling since 1973--although gains were slowing by late 1977.

\* Fertilizer prices have eased back around 17 percent following their sharp run-up in 1974/75.

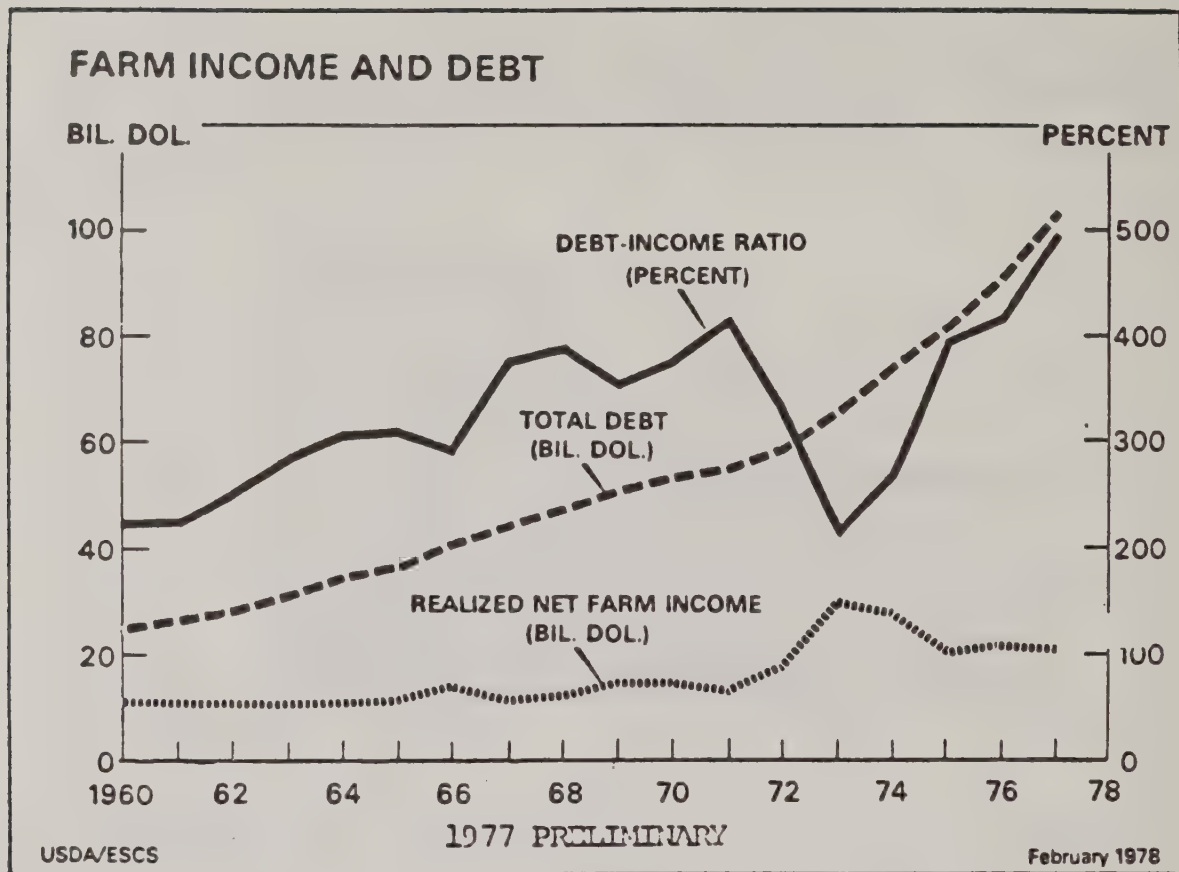
\* Fuel prices and wage rates have risen around 10 percent annually in recent years.





	1971	1972	1973	1974	1975	1976	1977p
	(Billion dollars)						
Gross income	60.6	70.1	95.5	100.0	96.7	103.6	106.1
Expenses	47.4	52.3	65.6	72.2	75.9	81.7	85.7
Net income:							
Current prices	13.2	17.8	29.9	27.7	20.8	21.9	20.4
1967 prices	11.2	14.5	22.5	18.4	12.5	12.5	10.9

- \* Realized gross income in 1977 increased \$2.5 billion from 1976 to a record level of \$106.1 billion.
- \* Direct Government payments totaled \$1.8 billion compared with \$.7 billion in 1976.
- \* Production expenses continued to rise increasing nearly 5 percent from 1976--more than offsetting the gains in gross income.
- \* Thus, rising expenses left realized net income down \$1.5 billion or near 7 percent.
- \* Rising living costs meant a nearly 13-percent drop in real terms.
- \* Gross farm income should advance again in 1978 due to increased receipts and larger Government payments under the new Farm Act. However, production expenses will continue to rise and absorb most of the increase in gross returns.



	1971	1972	1973	1974	1975	1976	1977p	1978
	(Mil. Dol.)							
Realized net	13236	17804	29943	27741	20810	21908	20400	
Total debt-								
Jan. 1	54484	59114	65345	74137	81833	90833	102663	119800
	(Percent)							
Debt/income	412	332	218	267	393	415	503	

\* Realized farm income has declined since the record 1973 level while debts have continued to rise--putting pressure on farmers ability to repay loans.

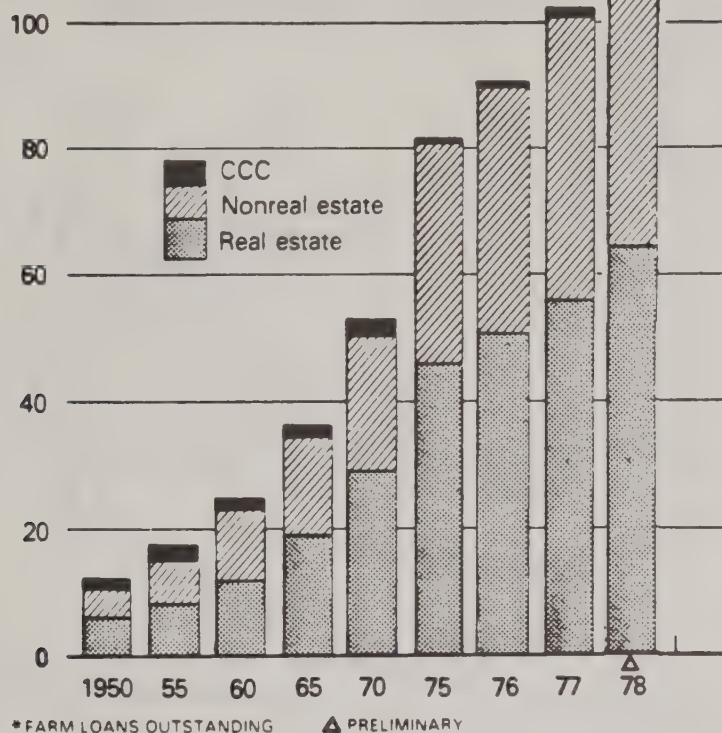
\* After declining in the early 1970's, the debt-income ratio was moved back toward trend.

\* The rise in the debt-income ratio falls hardest on those farmers who do not own land and therefore do not have an asset base.



# FARM DEBT OUTSTANDING\*

\$ BIL.



1976      1977      1978  
Bil. dol.

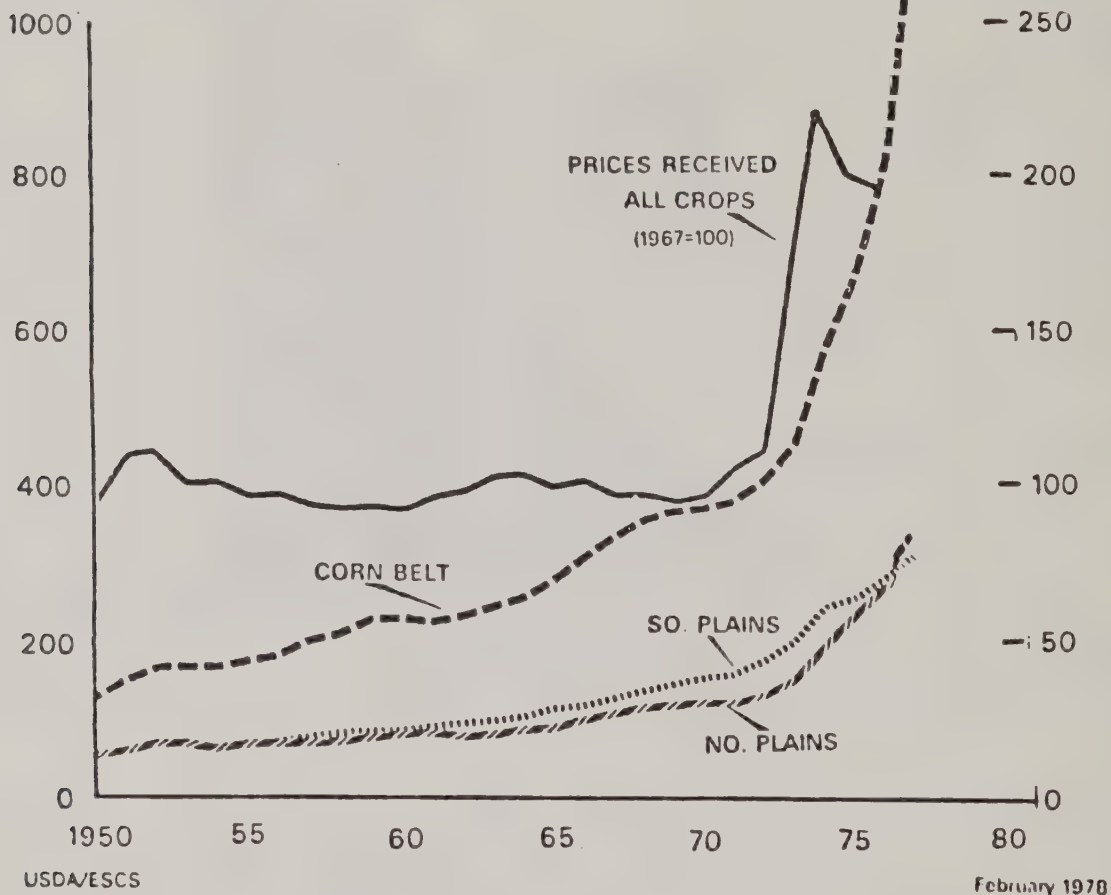
## Farm debt outstanding on Jan. 1:

Real estate	51.1	56.6	64.5
Nonreal estate (excluding CCC loans)	39.4	45.1	51.7
Commodity Credit Corporation loans	.3	1.0	2.5
Total farm debt	90.8	102.7	118.7

- \* Farm debt increased rapidly in 1977--rising a record 16 percent--both real estate and nonreal estate debt contributed to the rise.
- \* Although only a small part of the total debt, the largest increase was in credit to farmers from CCC--as substantial quantities of wheat and corn moved under loan.
- \* Producers who recently financed heavy investment in capital and real estate have been hardest hit during this period of reduced cash flow.
- \* For land owners, sufficient loan funds appear to be available in 1978--farm debts are expected to increase rapidly this year--and some of the rise in real estate debt will again be from refinancing short-term debt into real estate debt. But nonowner-operators will have less flexibility in converting debt.

# COMMODITY PRICES AND LAND VALUES

DOLLARS PER ACRE

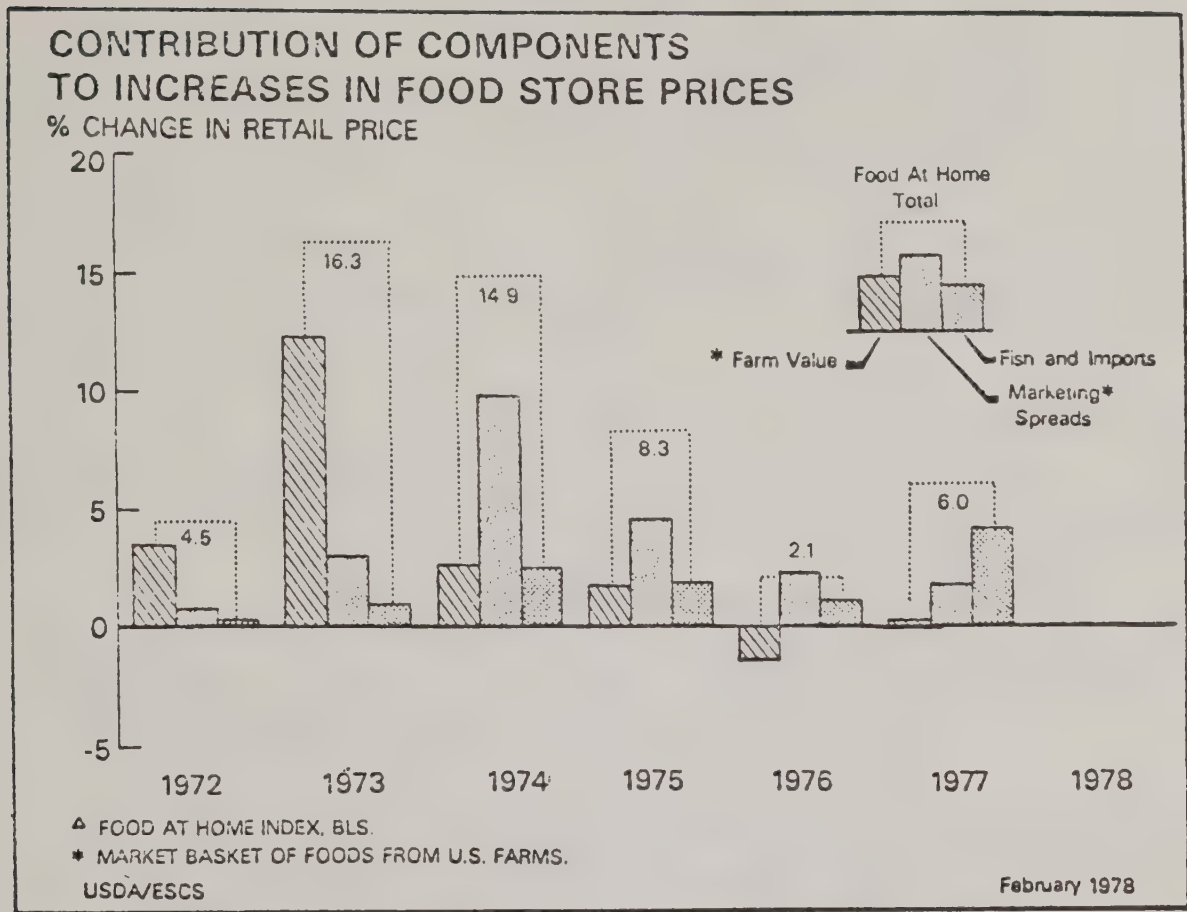


	1970	1975 (1967 = 100)	1976	1977
Crop prices received	100	201	197	192
		(\$/ac.)		
Land values:				
Corn Belt	374	665	812	1072
Southern Plains	153	255	280	302
Northern Plains	125	232	272	311

\* Sharp increases in farm prices coupled with expectations of continuing price strength and farm legislation have boosted land values dramatically, particularly in the Corn Belt.

\* Increases in land values may continue to moderate in response to a lower level of crop prices.





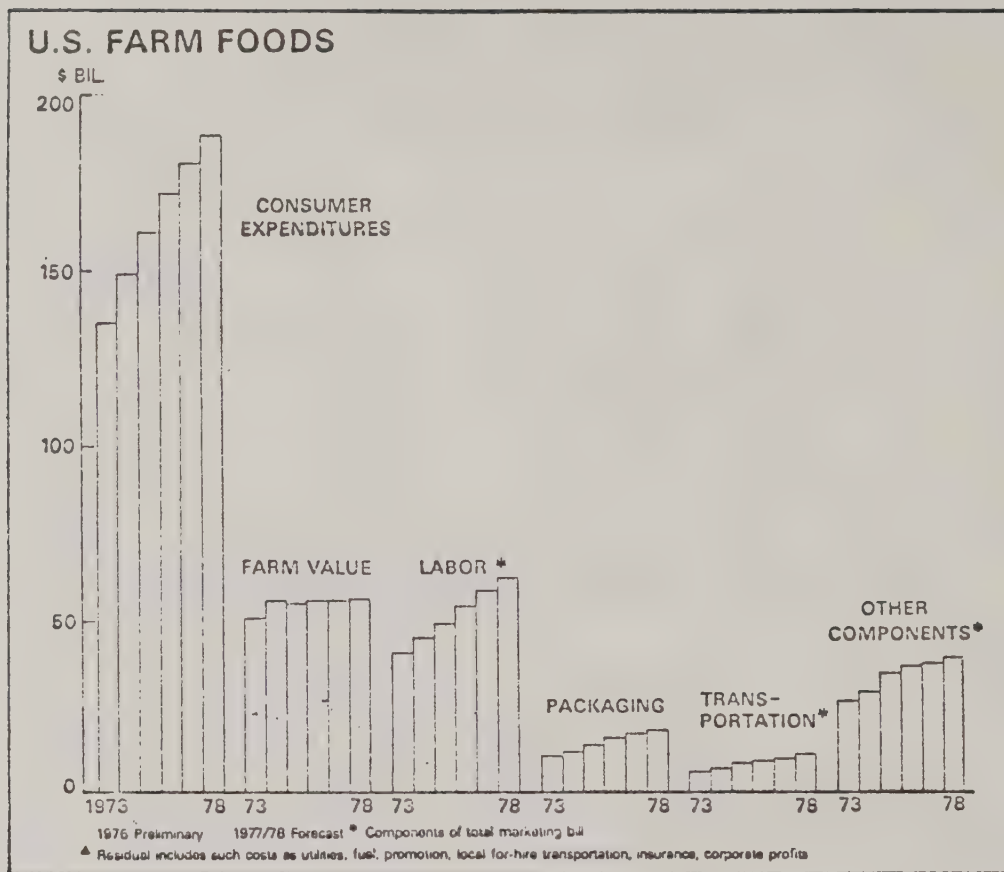
	1972	1973	1974	1975	1976	1977
	(Percent change)					
Farm value	3.3	11.9	2.7	1.8	-1.6	0.1
Fish and imports	.2	1.0	2.5	1.9	1.2	4.1
Marketing costs	1.0	3.4	9.7	4.6	2.5	1.8
Total	4.5	16.3	14.9	8.3	2.1	6.0

\* Marketing costs and nonfarm food prices accounted for practically all of the 1977 food price rise at retail.

\* The farm value of foods have contributed very little to the increase in retail food prices since 1973.

\* Marketing costs accounted for about one-third of the rise in food prices in 1977, much less than other recent years. Coffee contributed one-half the price boost in 1977 and other imported foods most of the remainder.

\* For 1978, higher marketing and processing costs are expected to result in retail food prices averaging 4-6 percent higher.



	1971	1972	1973	1974	1975	1976	1977
	(Bil. Dol.)						
Farm Value	35.3	39.4	51.1	56.0	54.9	56.3	56.5
Labor	34.5	37.6	40.6	44.8	49.1	54.3	58.8
Packaging	9.7	10.2	10.9	12.1	14.2	15.0	16.0
Transportation	6.0	6.1	6.0	7.2	8.3	9.5	10.4
Other	25.3	24.6	26.7	29.1	34.5	37.2	38.3
Total	110.8	117.9	135.3	149.2	161.4	172.3	180.0

\* Consumers spent about \$180 billion for U.S. farm food in 1977, up \$30 billion since 1974.

--The farm value of that food remains around the \$56 billion reached in 1974.

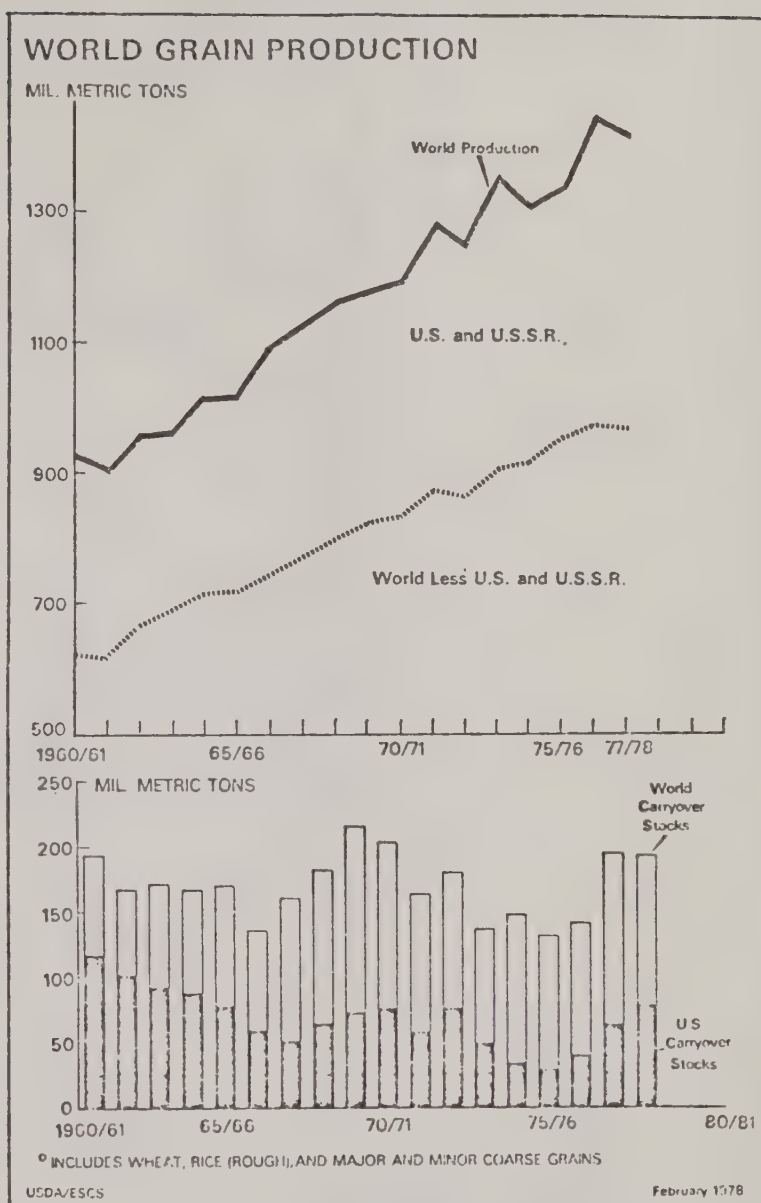
--All of the rise results from increased marketing costs.

--Labor costs are now the largest single component of consumer food expenditures.

--For 1978 an estimated 6-7 percent increase in marketing charges will boost consumer outlays for farm-produced foods by around \$8 billion.



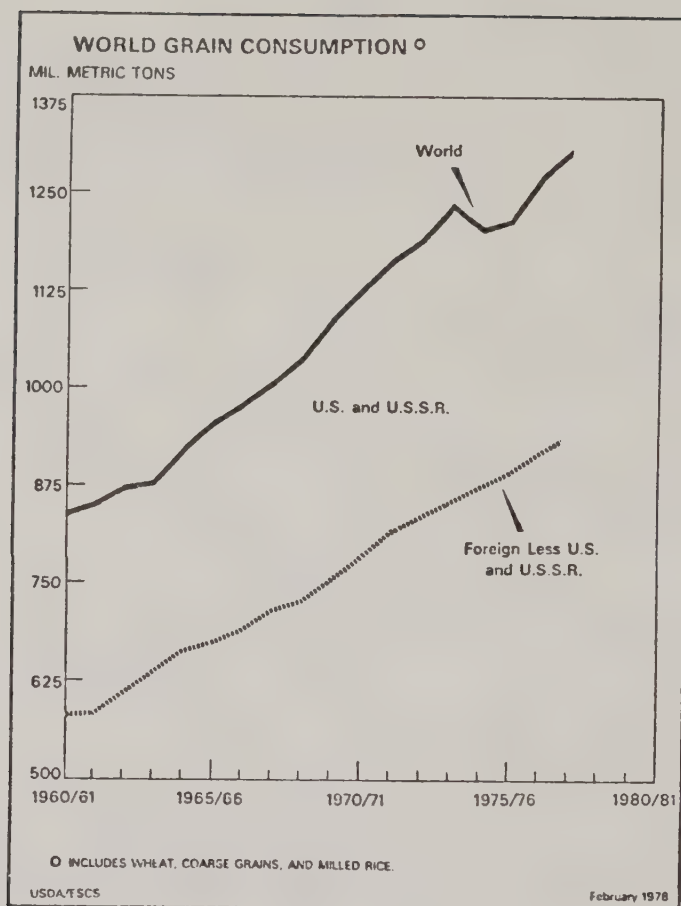
- \* World total grain production in 1977/78 declined 2%.
- \* Most variations in world grain production in recent years has occurred in the USSR and U.S.
- \* Production in rest of the world (world less U.S. and USSR) has generally been stable and on trend.
- \* U.S. production reached a record 261 million tons, up 2%. U.S. rice and wheat production declined, but increases in coarse grains production were more than offsetting.
- \* USSR wheat and coarse grain production declined to 182 million tons, a drop of 15%.
- \* For all other foreign production, 1977/78 level of 967 million tons was just under last year's record.
- \* World stocks are declining slightly in 1977/78. Foreign stocks are off but U.S. stocks are rising.



	Unit	1974/75	1976/77	1977/78 <u>2/</u>
Total grains: <u>1/</u>				
Area	Mil. ha.	707.1	731.3	728
Production	Mil. m.t.	1,306.8	1,454.6	1,425
Exports	do.	148.5	169.9	179
Consumption	do.	1,318.1	1,401.1	1,428
Ending stocks	do.	135.6	193.9	190

1/ Includes wheat, coarse grain and rough rice.

2/ Forecast.

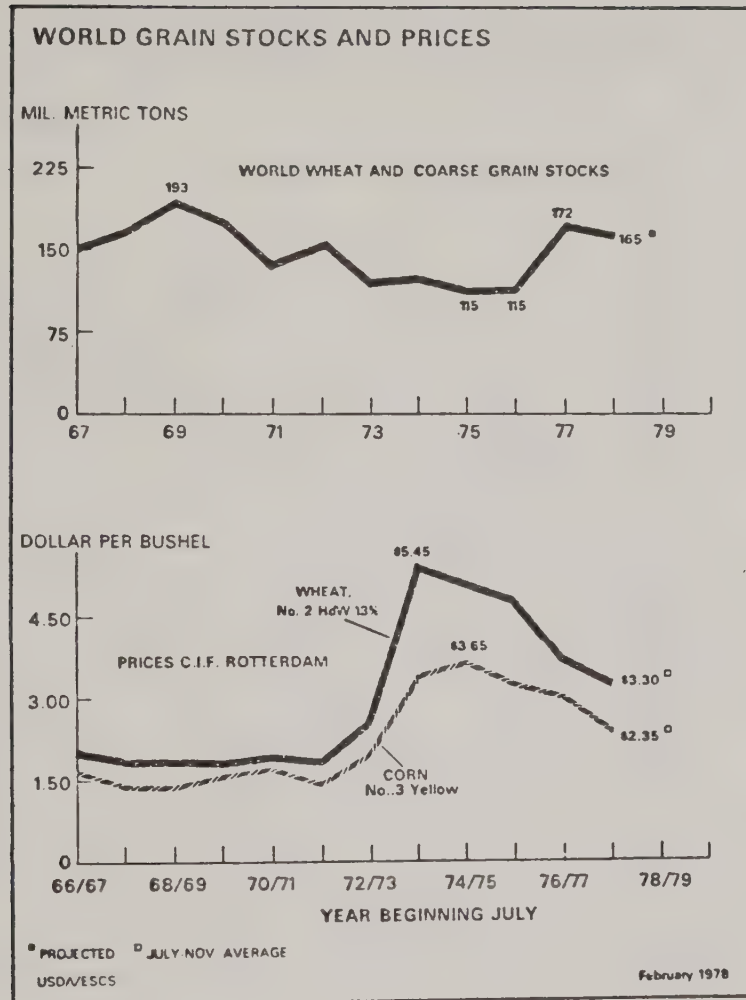


	1973/74	1974/75	1975/76	1976/77e.	1977/78e.
	(Mil. metric tons)				
Total grain consumption: <u>1/</u>					
World	1245.5	1210.4	1224.1	1285.8	1310.8
World (U.S. + USSR)	865.6	874.2	898.4	929.6	940.3
USSR	202.3	194.4	171.8	204.5	207.7
U.S.	177.6	141.8	153.9	151.7	162.8

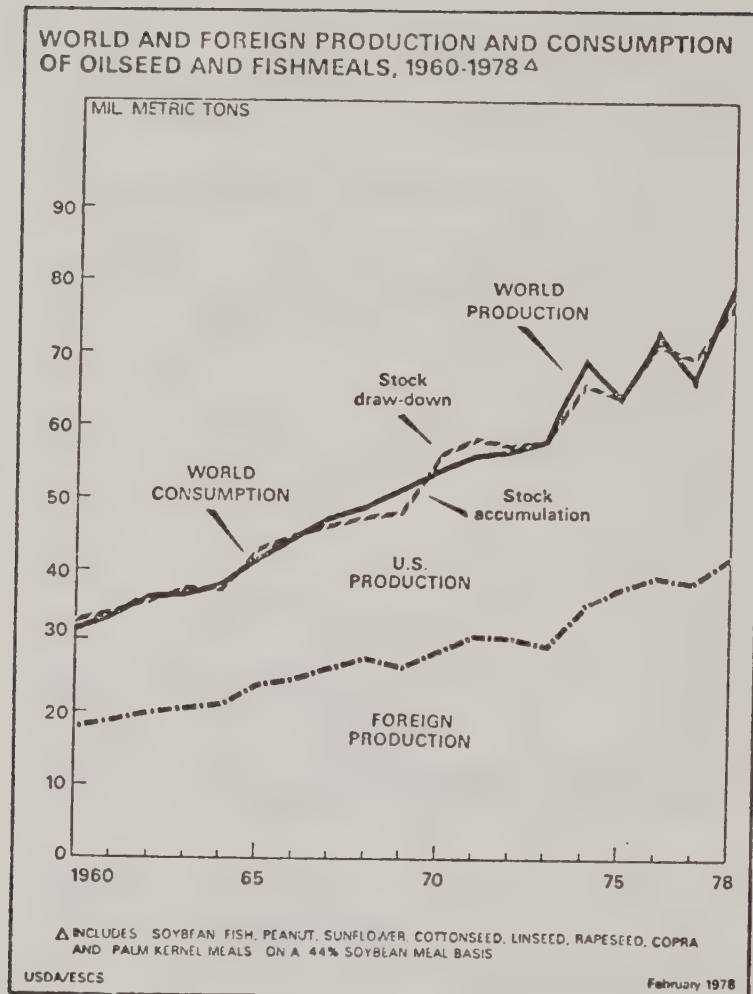
1/Wheat, coarse grains, and milled rice--totals from December 19, 1977, Foreign Agricultural Circular--Grains, page 40.

- \* World total grain consumption (wheat, coarse grain, and milled rice) is expected to reach a record high of 1,311 million tons in 1977/78, up 2 percent from 1976/77.
- \* Sharp variations in world consumption primarily caused by swings in U.S. and Soviet livestock feed use.
- \* USSR consumption due to increased imports is likely to hit at a record high of 208, up 1 percent from 1976/77.
- \* U.S. consumption is expected to increase 7 percent in 1977/78, but is still below levels reached from 1969/80 to 1973/74, when feeding was higher.
- \* All foreign consumption has shown upward trend, with 1977/78 to reach 940 million tons--a record high and up 1 percent from last year.

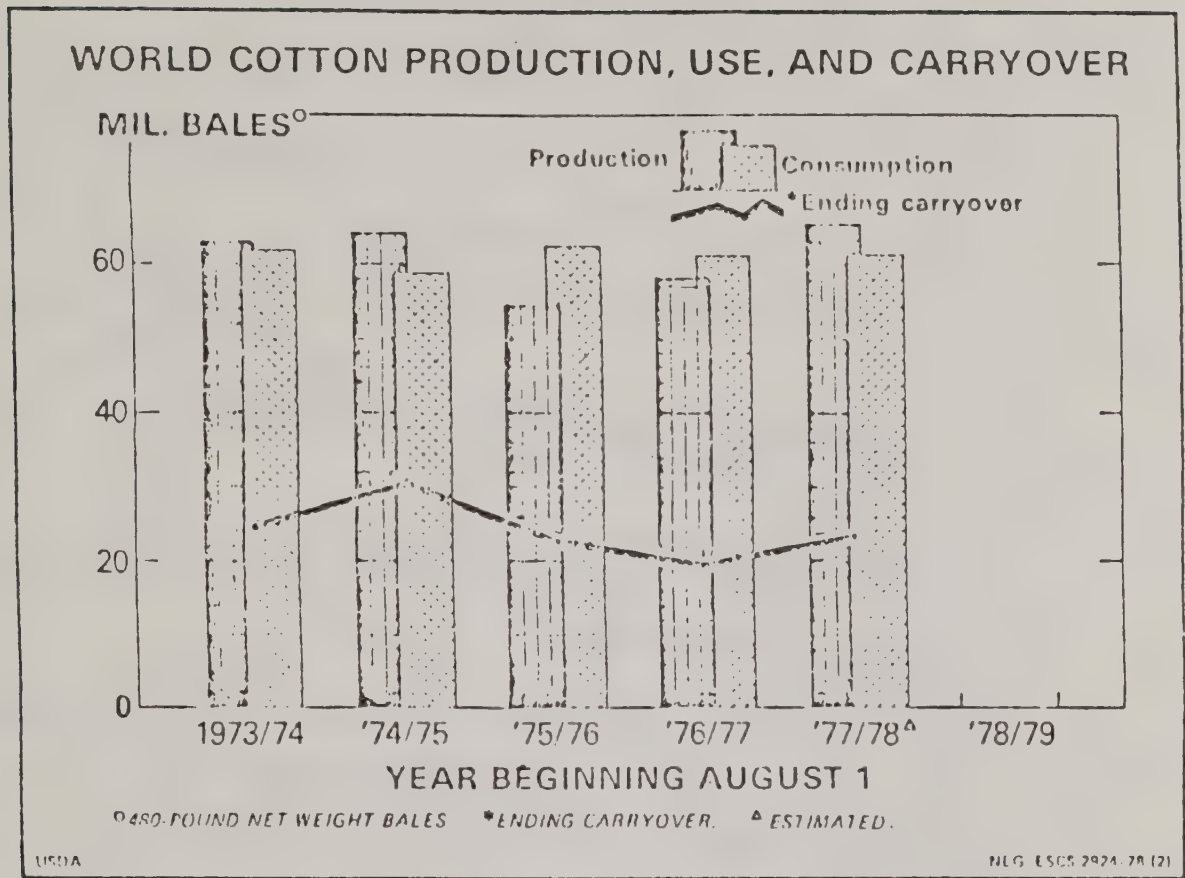




- \* World grain stocks (excluding the USSR) are expected to drop about 10 million tons in 1977/78 to a level of 160-165 million tons.
- \* Grain stocks outside the U.S. are likely to fall about 25 million tons, while stocks in the U.S. are expected to increase about 15 million.
- \* At the end of 1977/78 U.S. stocks will total about 75 million tons (42 feed grains and 33 wheat) or roughly 46 percent of global holdings.
- \* The ratio of U.S. grain stocks to consumption is about 47 percent, compared with a ratio of 12 percent for the rest of the world (excluding the USSR).



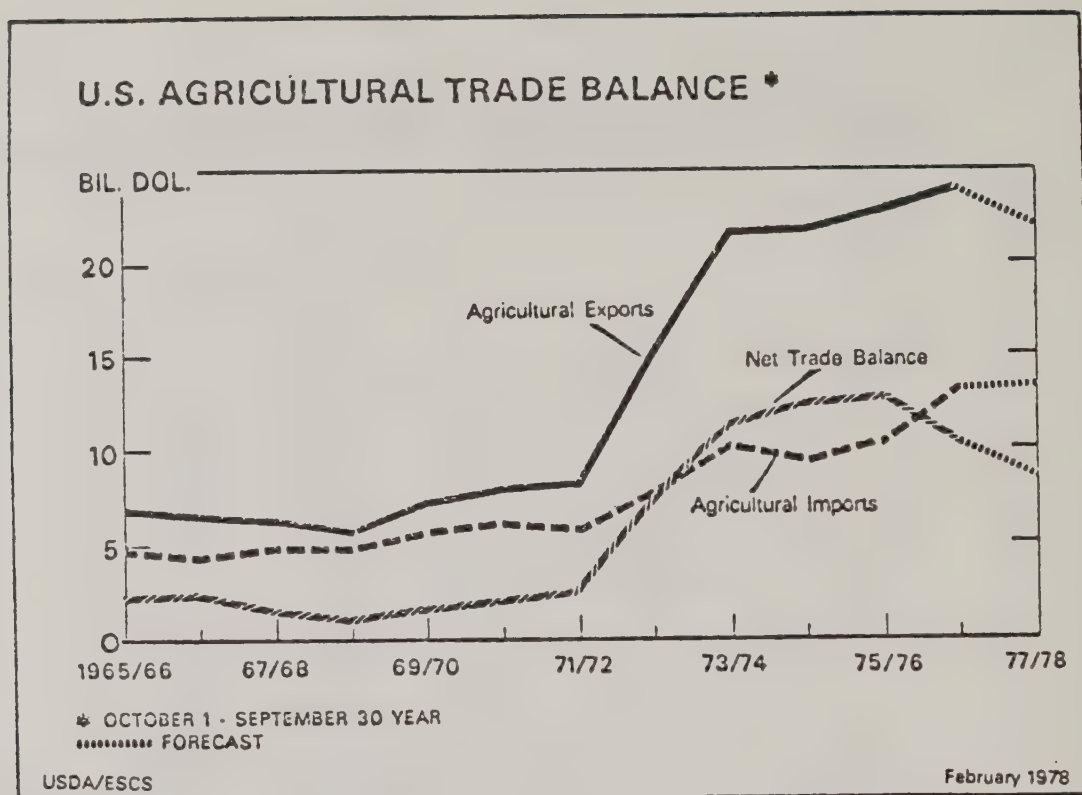
- \* World oilseed production is estimated to total nearly 80 million tons in 1977/78, up a tenth from last year.
- \* Over half the gain is due to the record 1977 U.S. soybean crop. Bigger crops of Brazilian and Argentine soybeans and Canadian rapeseed are also contributing.
- \* USSR sunflower and Indian peanut crops are turning out smaller than expected.
- \* Demand for protein meal is expanding in the U.S., Europe, and Japan.



Item	Unit	1973/74	1974/75	1975/76	1976/77	1977/78e.	1978/79c.
Beginning stocks	Mil. bales	23.4	24.9	30.1	22.3	19.4	23.5
Production	Mil. bales	63.2	64.3	54.2	58.2	65.5	
Consumption	Mil. bales	62.0	58.5	62.1	61.2	61.3	
Exports	Mil. bales	19.5	17.4	19.0	17.6	18.8	

- \* World stocks increasing sharply in 1977/78, mostly due to over 3 million bales increase in U.S.
- \* Large production increase due to increased acreage and higher yields-- weather-related yield changes cause sharp production variations over years, particularly U.S. and USSR.
- \* Consumption stagnant in recent years, lagging economic growth and increasing competition from manmade fibers.
- \* U.S. not sharing in trade expansion in 1977/78, going to other countries also with big crops.





	Year beginning October 1						
	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	Forecast 1977/78
	-----Billion dollars -----						
Exports	8.24	14.98	21.61	21.85	22.76	24.01	22-24
Imports	5.94	7.74	10.06	9.47	10.51	13.38	13-14
Trade balance	2.30	7.24	11.55	12.38	12.25	10.63	8-11

\*The volume of U.S. agricultural trade is expected to reach a new record of about 190 (calendar year 1967=100) in fiscal year 1978 up from last year's 176.

\*But last year's export value may be hard to match because of lower prices.

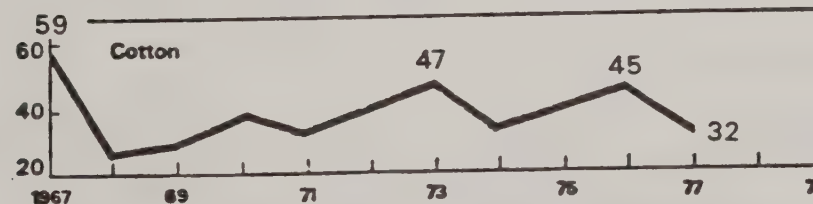
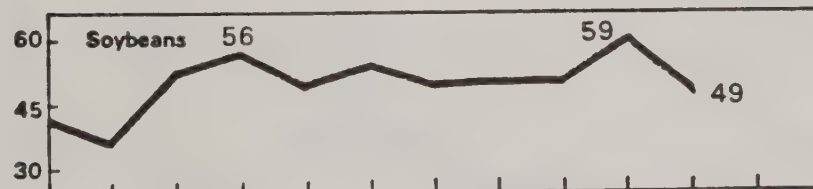
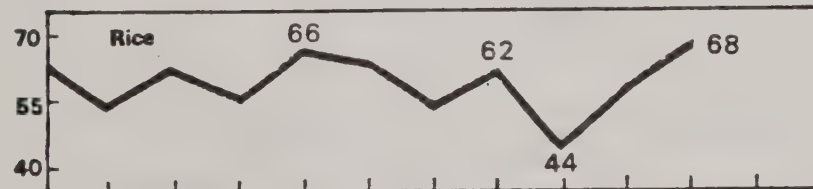
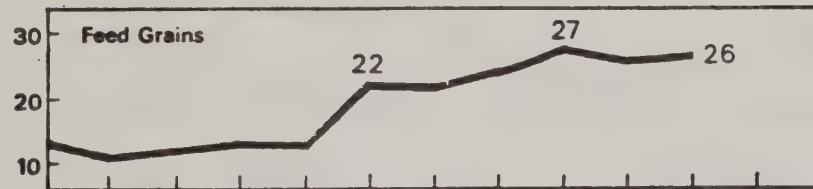
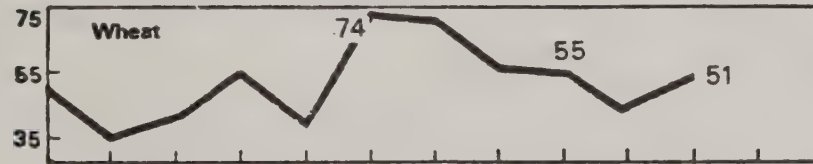
\*Exports are expected to increase to USSR and Eastern Europe but are likely to decline to Western Europe and Japan.

\*Agricultural imports may total near the fiscal year 1977 value of \$13.4 billion.

\*Thus, the U.S. agricultural trade surplus may fall in the \$8 to \$11 billion range in fiscal year 1978, compared with last year's \$10.6 billion.

# U.S. EXPORTS AS A SHARE OF U.S. PRODUCTION

PERCENT



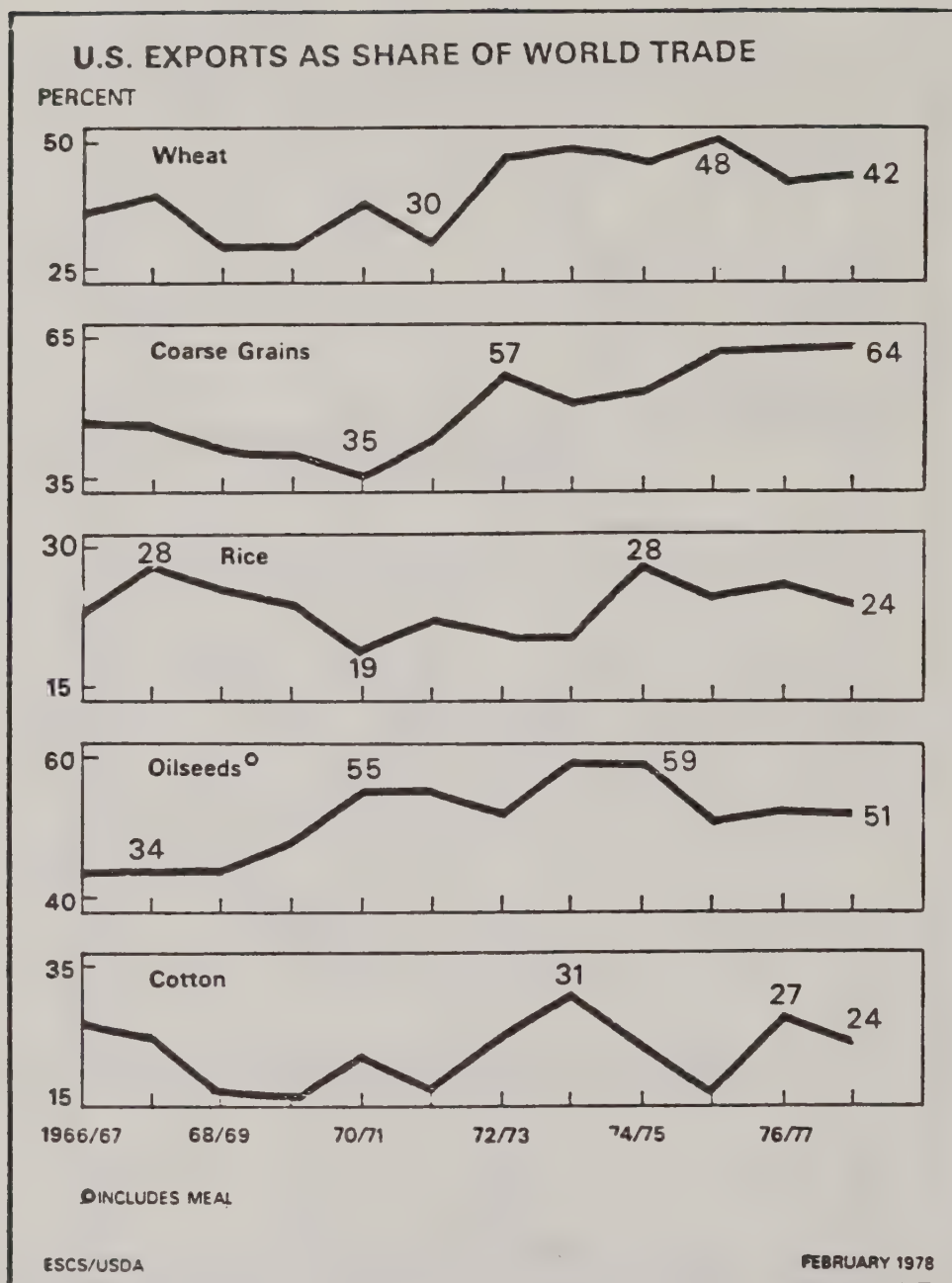
INCLUDES MEAL

USDA/ESCS

FEBRUARY 1978

## U.S. Exports as Share of U.S. Production

	1974/75	1975/76	Percent	1976/77	1977/78
Wheat	57	55		44	54
Feed grain	24	27		26	26
Rice	62	44		57	68
Soybeans	50	50		59	49
Cotton	34	40		45	32



U.S. Exports As a share of World Trade

	1974/75	1975/76	1976/77	1977/78
		<u>Percent</u>		
Wheat	44	48	41	42
Coarse grains	54	61	63	64
Rice	28	25	26	24
Oilseeds	59	52	52	51
Cotton	23	17	27	24



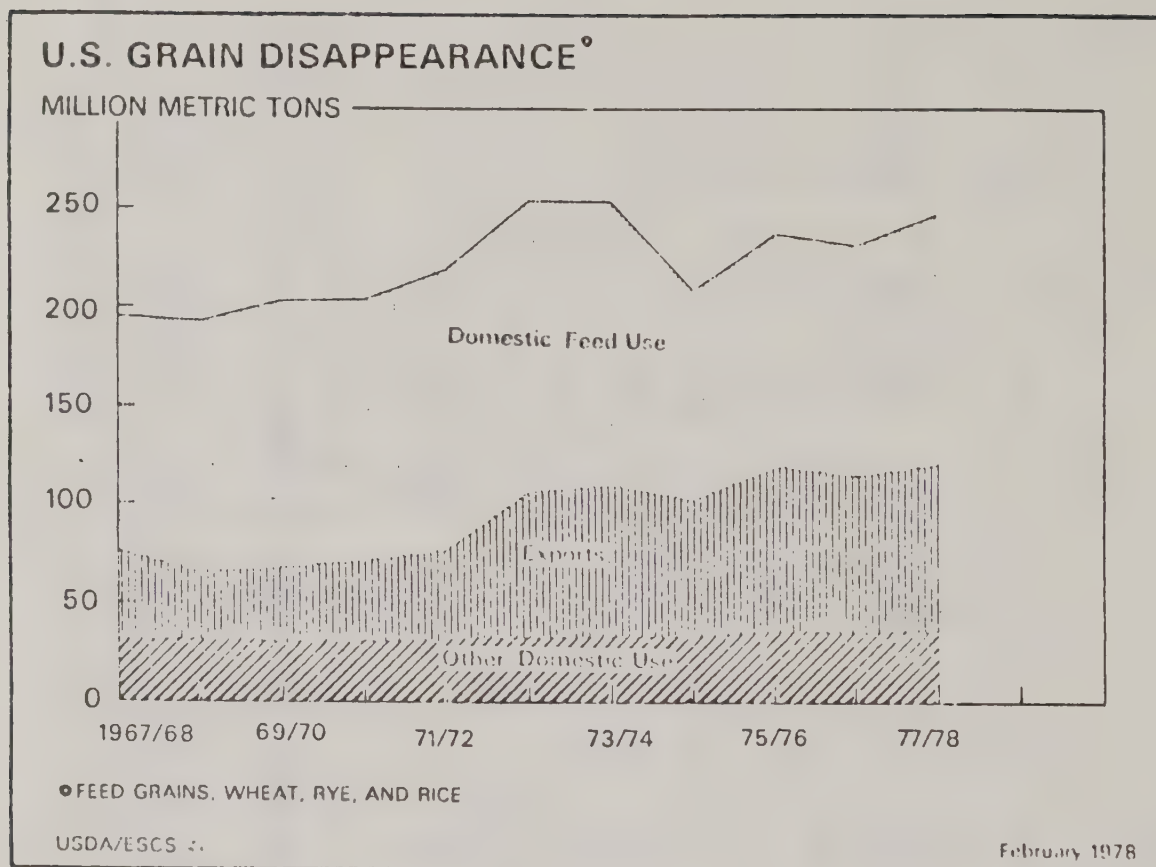
U.S. SUPPLY AND DISAPPEARANCE OF TOTAL GRAINS AND OILSEEDS,  
CALENDAR YEARS, 1968-78 1/

ITEM	UNIT	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
JANUARY 1 STOCKS												
PRODUCTION	:MIL. M.T.	204.8	216.9	228.8	204.9	234.0	227.0	210.0	178.5	218.3	233.6	267.6
IMPORTS	"	238.7	241.6	223.3	275.3	269.6	286.5	244.1	296.4	298.6	316.6	
TOTAL SUPPLY	"	.3	.4	.5	.4	.5	.3	.5	.5	.4	.5	
EXPORTS	"	443.8	458.9	452.6	480.6	504.1	513.8	454.6	475.4	517.3	550.7	
DOMESTIC	"											
TOTAL DISAPPEARANCE	"	48.6	42.4	54.1	48.9	66.2	96.7	80.7	88.8	98.7	94.2	
DECEMBER 31 STOCKS	"	178.3	187.7	193.6	197.7	210.9	207.1	195.4	168.3	185.0	188.9	
ACREAGE PLANTED	"	226.9	230.1	247.7	246.6	277.1	303.8	276.1	257.1	283.7	283.1	
YIELD PER PLANTED ACRE	:M.T./ACRE:	216.9	228.8	204.9	234.0	227.0	210.0	178.5	218.3	233.6	267.6	
ACREAGE IMBALANCE	:MIL. ACRE:	241.4	233.5	233.1	247.4	239.3	258.9	267.7	271.4	279.7	286.2	279.8 2/
	:M.T./ACRE:	.99	1.03	.96	1.11	1.13	1.11	.91	1.09	1.07	1.11	
	:MIL. ACRE:	12.2	10.1	-24.9	25.2	-5.9	-14.8	-35.7	35.5	14.6	31.2	

1/ INCLUDES WHEAT, RYE, RICE, CORN, SORGHUM, OATS, BARLEY, SOYBEANS, FLAXSEED, COTTONSEED, PEANUTS AND SUNFLOWER-SEED.

2/ JANUARY 1 PLANTING INTENTIONS.

. Imbalances between production and disappearance caused by weather affected crops and changes in demand in the U.S. and foreign countries.  
 . But lagging domestic use since 1972 combined with three consecutive record crops during 1975-77 have led to stock buildups and depressed prices. If domestic use in 1978 were at 1972 level, use would be 22 million tons higher--equivalent to 20 million acres at 1977 yields.

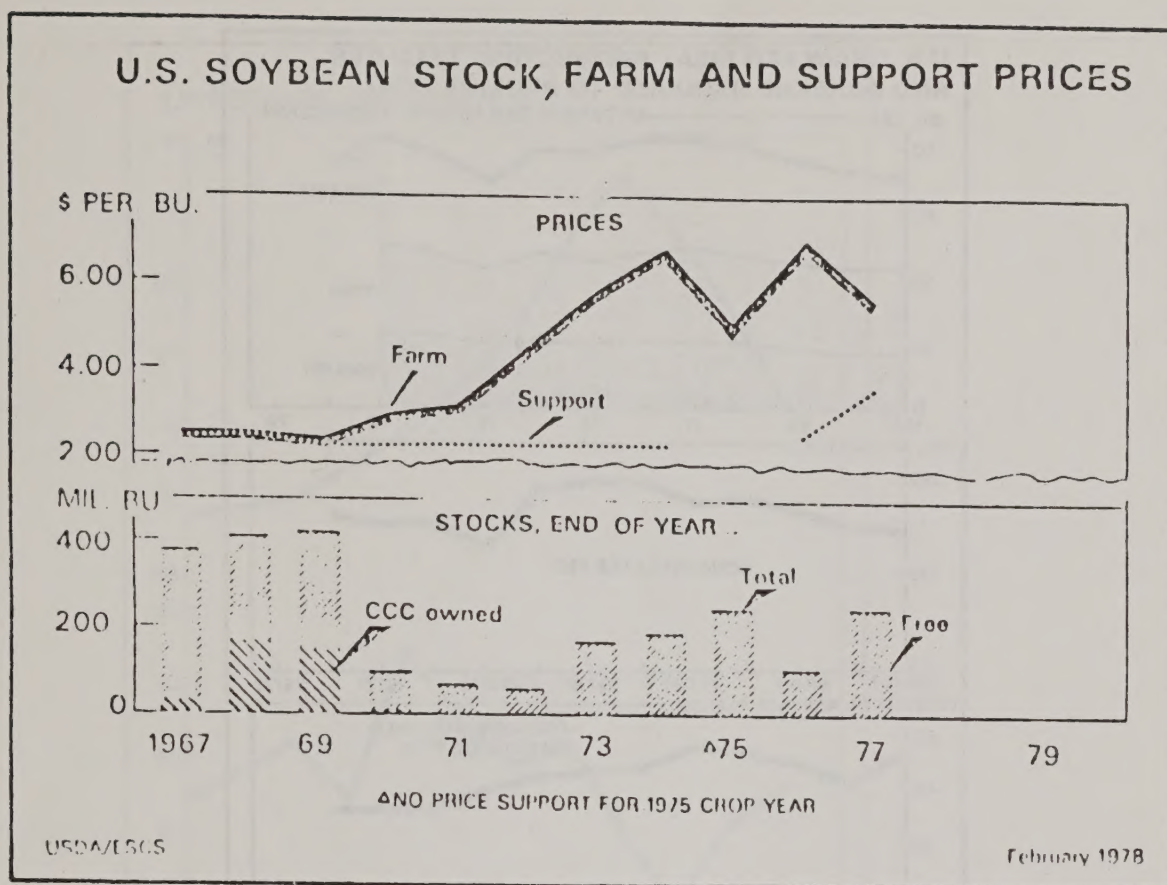


1973/74 1974/75 1975/76 1976/77 1977/78  
(Mil. metric tons)

Domestic feed	143	107	118	116	125
Exports	76	67	84	79	85
Other domestic	35	35	37	37	38
Total	254	209	239	232	248

- \* Domestic utilization accounts for about two-thirds of total disappearance of total U.S. grains.
- \* Feed usage--the major domestic outlet for U.S. grains--is very responsive to changes in livestock/feed price relationships.
- \* Following the big increase in grain prices in the mid-1970's feed usage dropped sharply. Despite a pickup this year, feeding remains about 20 million tons below the 1973/74 peak.
- \* Export outlets which account for one-third of U.S. grains are running double the pre-1972/73 pace.





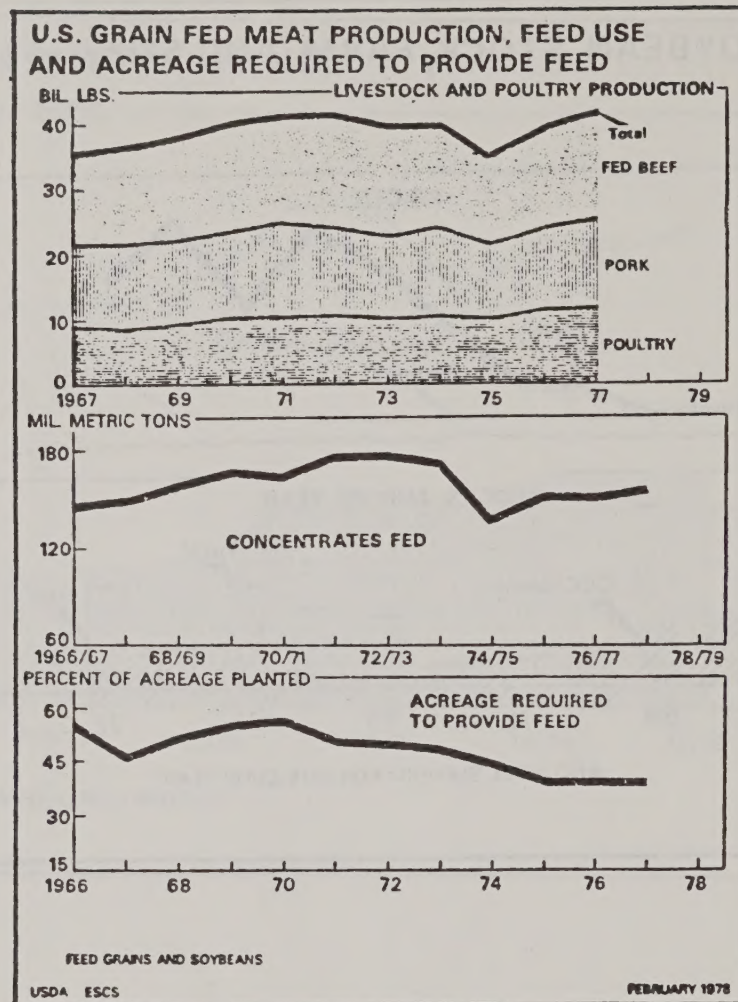
Item	Unit	1973/74	1974/75	1975/76	1976/77	1977/78e	1978/79
Beginning stocks	Mil. bu.	60	171	188	245	103	270
Production	Mil. bu.	1,547	1,215	1,547	1,288	1,716	
Crushings	Mil. bu.	821	701	865	790	860	
Exports	Mil. bu.	539	421	555	564	610	
Total disappearance	Mil. bu.	1,436	1,201	1,490	1,430	1,549	
Season average farm price	Dol./bu.	5.68	6.64	4.92	6.81	5.25-5.75	

\* 1977 production up a third due to expanded acreage and higher yields.

\* Exports and crush rising in response to increasing domestic and foreign demand, particularly meal for livestock feeding.

\* But with supplies increasing more than demand, stocks next September more than double season's beginning low level--prices to average \$1 or more below 1976/77.

\* Acreage intentions show 8 percent increase in 1978 acreage--favorable yields would mean big crop and continued pressure on prices.



	1967	1971	1975	1977
Livestock production (bil. lb.)	35.6	41.5	35.3	41.2
Concentrates fed (mil. metric tons) <u>1</u> /	149	174	150	157
Acreage required to produce needed volume of grains and soybean meal for feeding (%)	53	50	39	38
<u>1</u> /Grains, meals, protein, and byproduct feeds.				

\* Livestock production dipped in 1975--high feed costs from 1974 crops were a big reason.

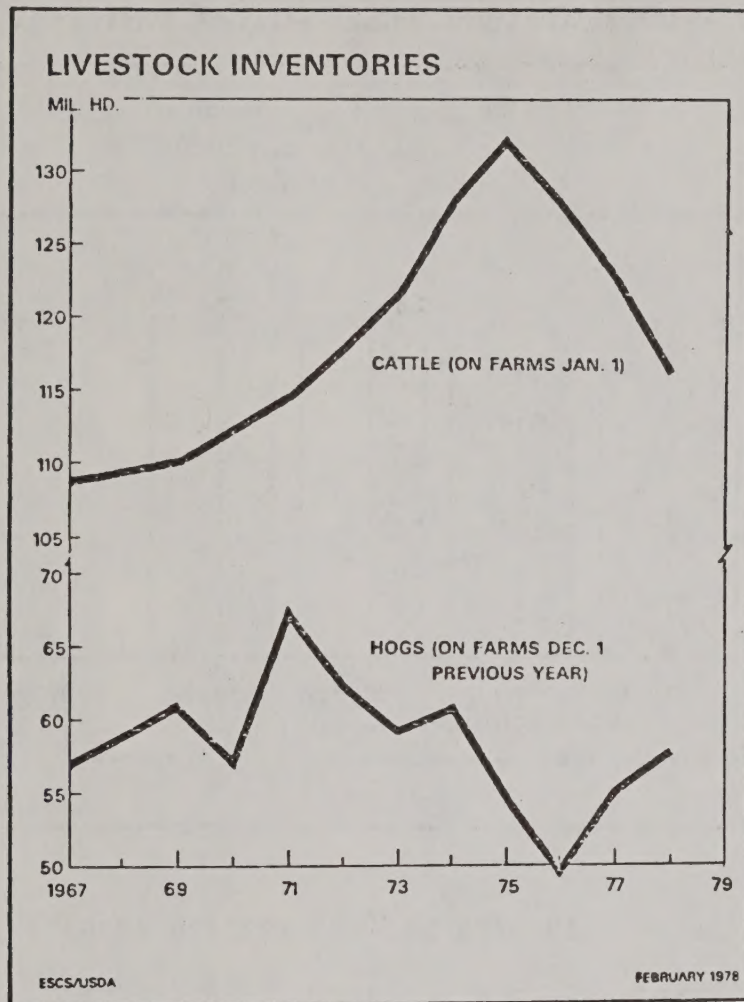
\* But feed costs are lower now and fed beef, pork, and poultry production are rising.

\* With improved feed/price ratios, concentrate feeding is beginning to inch back though still around 20 million tons below the peak.

\* Acreage requirements for feed crops have declined since 1972. Some leveling out in prospect for 1977/78.

\* Improved feeding margins are increasing feeding rates.



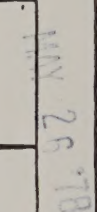


	1973	1974	1975	1976	1977	1978
	(Mil. Head)					
Cattle	121.5	127.8	132.0	128.0	122.8	116.3
Hogs	59.0	60.6	54.7	49.3	54.9	57.6

- \* Total cattle and calf inventory in sharpest decline in history....after a sharp buildup in numbers that ended in 1975.
  - Beef cow herd also dropping rapidly
  - Milk cow herd declines very small
- \* Beef production to decline (about 3%) this year.
- \* Hog numbers building back up since the massive sell off in 1975 and 1976.
- \* Pork production on upswing (maybe 10%) in 1978.



PROJECT SERIAL-RECORD



**Δ PRELIMINARY.**

NEG. ESO 1991-78 (2)